



Should You Buy Air Canada or BlackBerry Today?

Description

Canadian stocks started well in mid-morning trading on January 29. The **S&P/TSX Composite Index** was up triple digits at the time of this writing. Investors have been subjected to a wild week in the North American markets. Today, I want to look at two of the top stocks on the **TSX**. **Air Canada** ([TSX:AC](#)) and **BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) struggled for most of 2020. Which is the better buy today? Let's jump in.

Why you should buy the dip

Air Canada is Canada's most dominant domestic airline. Its shares have dropped 7.6% in 2021 at the time of this writing. The stock has plunged 53% in the year-over-year period. Earlier this week, I'd discussed why I'm going in on Air Canada stock this year.

The top airliner in Canada will release its fourth quarter and full-year 2020 results on February 12. In Q3 2020, Air Canada saw total passengers drop 88% from the prior year. Obviously, this was driven by the damaging restrictions rolled out in response to the COVID-19 pandemic. The company reported a net loss of \$685 million or \$2.31 per diluted share. Net debt has increased \$2.13 billion from December 31, 2019. Fortunately, the company has [bolstered its balance sheet](#) over the course of the 2010s.

Shares of Air Canada were down 3.23% in mid-morning trading on January 29. The company is faced with continued challenges due to the ongoing COVID-19 pandemic. However, top airliners are still positioned for promising growth for the long haul.

Don't burn yourself on this bonanza

BlackBerry stock has enjoyed its biggest spike in over half a decade. The Waterloo-based technology company fell from its dominant position in the mobile phone space roughly 10 years ago. **Apple's** iPhone and Android alternatives outpaced BlackBerry's advances.

Shares of BlackBerry have climbed over 120% in 2021 as of mid-morning trading on January 29. The

company started to generate widespread interest after it announced a collaboration with **Amazon** in the vehicle software space in early December. However, it has also attracted attention due to a stock market social media frenzy that has erupted in recent weeks. BlackBerry stock spiked at a 52-week high of \$36.00 before retreating in trading yesterday.

While the company has diminished in the hardware space, it has transitioned into an exciting player in software. Unfortunately, the [Reddit effect](#) has unjustly cast Blackberry in a bad light among those who only remember its early role in the smartphone industry.

BlackBerry now boasts a promising footprint in automobile software development and provides elite endpoint security to the public and private sector. The Waterloo-based company is not a dinosaur to be dismissed outright.

Which stock is the better buy today?

BlackBerry was one of my favourite tech stocks coming into 2021. However, the social media-fuelled frenzy may be too much too soon for a company that is still far from realizing its full potential in the software space. It is hard to recommend the overheated stock in this environment.

Air Canada, on the other hand, is worth stashing as its shares struggle in this unique climate. The airline industry is still geared up for big growth in the years and decades ahead. Air Canada is my pick today.

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2. TSX:AC (Air Canada)
3. TSX:BB (BlackBerry)

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Author
aocallaghan

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